



# Prince Saud begins Latin American trip

CARACAS, Aug. 6 (AP) — Foreign Minister Prince Saud Al-Faisal arrived here Wednesday night for a series of talks on oil and bilateral matters with Venezuelan government officials.

The talks will include discussions on a possible emergency ministerial meeting of the Organization of Petroleum Exporting Countries (OPEC), according to Venezuelan Energy Minister Humberto Calderon Berti.

Both Venezuela and Saudi Arabia are OPEC members. The Prince was scheduled to meet Thursday with Venezuelan President Luis Herrera Campins, and hold talks with Foreign Minister Jose A. Zambrano and with Calderon Berti.

Meanwhile, the Argentine government will give an official welcome to Prince Saud when he arrives here Friday on a one week visit as part of a Latin American tour, it was

learned in Buenos Aires Thursday. An official statement said that views will be exchanged between the Saudi and Argentinian sides on the development of bilateral relations. He will also visit Brazil for the same purpose.

Argentina must import most of nearly every mineral it uses. Oil is produced in Patagonia. The government announced discovery of uranium deposits in Argentina in February 1977. A farming and stock-raising nation, Argentina devotes some 40 percent of its area to pasture and 10 percent to cultivation. Cotton, sugarcane, and fruits are important, and Argentina is the world's largest producer of yerba mate (Paraguayan tea). Cattle-raising predominates on the pampas, especially in Buenos Aires province. Cattle breeding is more important in Patagonia.

# Khaled greets UAE leader

TAIF, Aug. 6 (SPA) — King Khaled Thursday cabled his congratulations to Sheikh Zayed Bin Sultan Al Nahyan on the anniversary of his assumption of the Presidency of the United Arab Emirates.

In his cable, the King expressed his best wishes for Sheikh Zayed's enduring health and happiness and for the continued progress and prosperity of the people of the UAE.

# Per capita income up by 15.5% in Kingdom

RIYADH, Aug. 6 (QNA) — Saudi Arabia's per capita income went up from SR17,000 per year in 1975 to SR31,500 in 1979, showing a 15.5 percent annual increase.

A spokesman for the King's Finance Ministry said that the rise resulted from the King's national income which jumped from SR175.4 billion in 1975 to SR351.6 billion in 1979, indicating a 19% annual increase during that period.

# Reagan lauds peace efforts

WASHINGTON, Aug. 6 (AP) — U.S. President Ronald Reagan has lauded Saudi Arabia's "invaluable efforts" during the recent Lebanese crisis which averted a major confrontation between Syria and Israel and led to a ceasefire.

In an interview published Wednesday by the *Washington Star*, President Reagan said that the American administration must enhance its assistance to friendly Arab states to prove that the U.S. presence in the area is not intended to benefit only one country. He asserted that the search for peace in the Middle East was now the most important problem on the world scene.

# Gulf officials set talks on cholera

KUWAIT, Aug. 6 (AP) — Officials will meet in Kuwait next Monday to work out a joint plan to prevent the spread of cholera in the Gulf region, an official announcement said Thursday.

The meeting within the framework of the health secretariat of the Arab Gulf countries, will be chaired by Kuwait's Public Health Minister Dr. Abdul Rahman Alawali, the state news agency said. Countries participating in a coalition to Kuwait are Saudi Arabia, Iraq, UAE, Qatar, Bahrain and Oman.

# Kingdom finances study N. Yemenis fly to Islamabad

SANAA, Aug. 6 (SPA) — A Saudi plane left here Thursday for Islamabad, carrying 110 North Yemeni students for higher studies in Pakistan at the expense of the government of Saudi Arabia.

The students were seen off at the airport by North Yemeni Education Minister's Undersecretary, Ahmed Jara la an in the Saudi Arabian Charge d'Affaires in Sana'a, Muhammad Ya'laqi.

Jara la an stressed the students prior to their departure for Islamabad and expressed his

thanks to the government of Saudi Arabia for extending the valuable educational aid to North Yemen. He said the constant aid granted by Saudi Arabia to North Yemen has demonstrated the King's keenness to maintain good and close relations with North Yemen.

He disclosed that he has a student batch to Pakistan, other groups of North Yemeni students have been studying in Egypt and Saudi Arabia at the expense of the Saudi Arabian government.

# COMMENT

By Faysal Ismail Okaz

Many international companies are engaged in the implementation of the country's development projects. But it is seldom that a Saudi Arabian benefits in experience and training from these and other companies in which Saudi Arabians hold major shares. They import labor from their country or from a third country and keep sensitive and delicate positions to themselves.

I don't feel upset by the sight of a multitude of aliens in the country, because their contribution is necessary for the realization of the country's progress and development. But, at the same time, I wish to see the natives gain knowledge and expertise side by side with material benefits.

In the sphere of hotel industry, for instance, we find a number of hotels of international standard in our country but we rarely find a native holding a job in these hotels. I don't really know if our own countrymen are to be blamed for lack of response to this trade or the hotels themselves do not offer an opportunity to the citizens to work in this field. I feel it is necessary for the country to have an institute for training in hotel industry, with incentives to attract the citizens to join them. It seems neither reasonable nor sensible to allow hotel business to be monopolized by people from other countries.

Besides, I would suggest that all companies undertaking major projects in the country be asked to train a specific number of Saudi Arabians during the period of the project's implementation. Also, a good number of natives should be placed on top jobs, in order to enable them to establish close contacts with others in high position and gain experience. We ought to try to benefit completely from this aspect so we are able to produce trained technical cadres needed in different fields of development activity. I reiterate we cannot afford to continue to depend on others for an indefinite period.

# BRIEFS

## Emilio Colombo stops over

JEDDAH, (SPA) — Italian Foreign Minister Emilio Colombo stopped over at King Abdul Aziz International Airport here Thursday, en route home from Mogadishu. He was received at the airport by Deputy Chief of Protocol Hussein Marzouki and the Italian ambassador to the Kingdom.

## Offices re-open Saturday

JEDDAH — All government departments and universities will re-open Saturday after the Eid holidays, the Civil Service Board announced Wednesday, according to *Okaz*.

## Heavy rains in Taif

TAIF (SPA) — Heavy rains fell on Taif and its suburbs Wednesday afternoon, flooding nearby valleys. The downpour was accompanied with a thunderstorm.

## Streets to have names

JEDDAH — The naming and numbering of streets and houses will start here next month, *Al Medina* reported Thursday. The municipality has consulted the Information Ministry about the names which will be derived from Islamic history.

Meanwhile, the municipality is examining various proposals about the utilization of the area of city's old airport.

## Fresh donations received

JEDDAH — The Committee for the release of in-labored poor prisoners has received fresh donations totaling SR509,800, *Al Medina* reports Thursday.

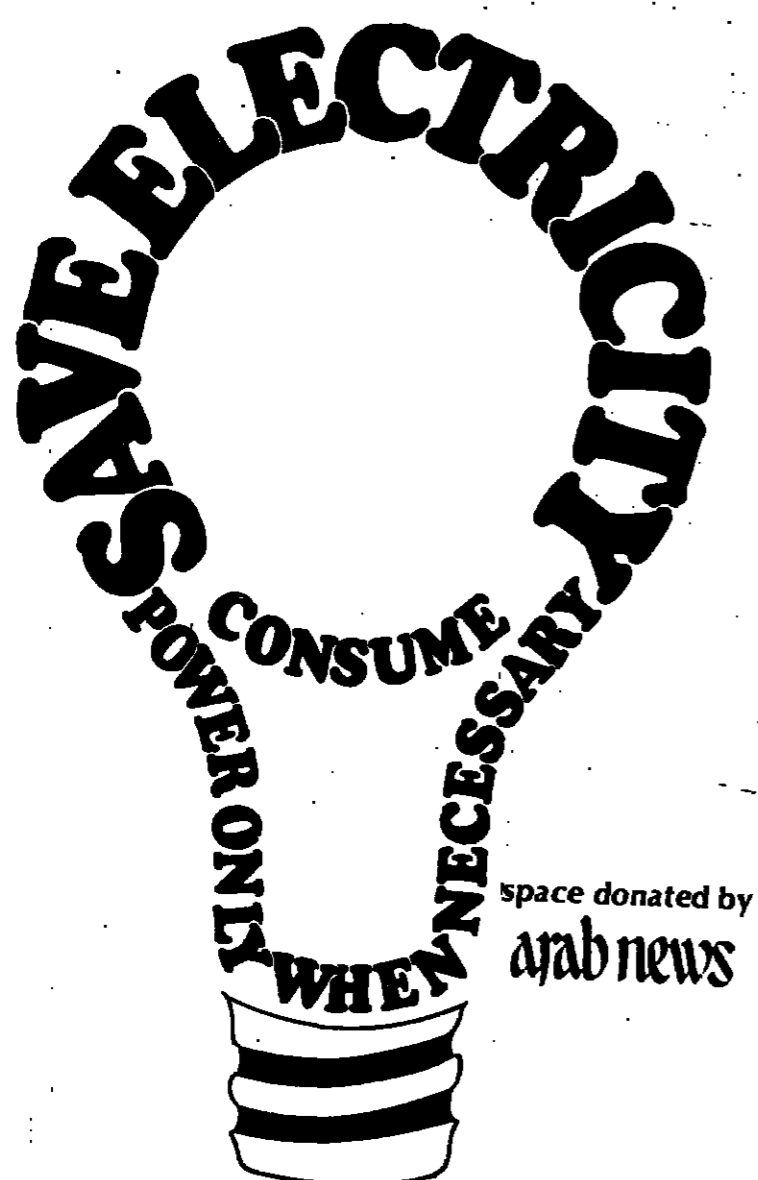
## Gold market to be inspected

JEDDAH — The Commerce Ministry is preparing a comprehensive study about gold dealers and jewelers to prevent fraud in this trade. It will appoint inspectors who will send regular reports about their activities, *Al Medina* said Thursday.

## KIRBY appoints new builders


JEDDAH — KIRBY Building System, the No. 1 manufacturers of pre-engineered steel buildings in the Middle East has recently appointed Sahara Building Contractors, as certified builders in the Western Province of Saudi Arabia. This brings the number of KIRBY certified builders in Saudi Arabia to nine. Sahara offers all Saudi customers turn-key service using KIRBY's well known and proven structural steel systems as the basic ingredient of its finished product.

KIRBY Building Systems manufactures pre-engineered steel buildings for use of warehouses, factory buildings, labor camps, aircraft hangars.



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Fajr	4:31	4:28	3:59	3:43	4:07	4:34
Dhuhr	12:26	12:27	11:59	11:45	12:10	12:39
Assr	3:47	3:54	3:25	3:16	3:40	4:13
Maghreb	6:58	7:03	6:34	6:24	6:48	7:21
Isha	8:28	8:33	8:04	7:54	8:18	8:51



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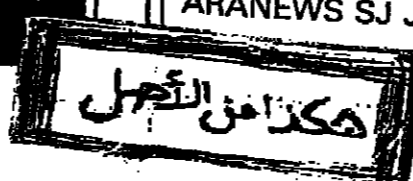
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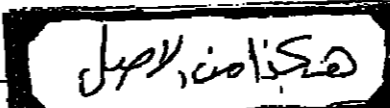


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# Reagan avoids reply to Sadat on PLO

WASHINGTON, Aug. 6 (Agencies) — Egyptian President Anwar Sadat told President Reagan Wednesday the United States should change course and negotiate with the Palestine Liberation Organization on a Middle East peace agreement.

In an exchange of toasts at a White House dinner, the Egyptian leader told Reagan he could further the cause of peace by holding a dialogue with the Palestinians through their representatives. "It is certain to strengthen the forces of non-escalation," Sadat said. He said it also would "unleash the forces of those who exploit the present state of affairs for their own selves, and it would be an act of statesmanship."

suit of peace. "In fact, it means that for the first time, the Palestinians have come close to endorsing a peaceful solution," Sadat declared.

"The time is right for the resumption of the peace process," the Egyptian leader said. "The events in the area have demonstrated beyond any doubt that we cannot wait long if we have to spare the region further destruction and devastation." Sadat told Reagan, "We are in full agreement over the issues we discussed" in their first day of meetings. A senior administration official said Sadat made only a passing reference to the PLO in his private talks with Reagan, and the official indicated Reagan did not directly respond to the matter, which is expected to be raised again in talks Thursday.

Reagan promised Sadat the United States remains committed to achieving a Middle East peace and would support the United States "will walk that road together" with Egypt.

Speaking with reporters later, Sadat said the United States should drop a coalition with Israel to negotiate with the PLO until the PLO recognizes Israel as a state, U.N. Security Council resolutions. A senior administration official, who declined to be identified, said the United States would not change its policy as long as the PLO refuses to recognize Israel's right to exist.

The U.S. coalition with Israel was made in a secret protocol signed in 1975 by Secretary of State Henry Kissinger as part of the agreement for the Sinai Peninsula.

Sadat interrupted his talks with the Reagan administration to visit his daughter, Hiba Mah-nou-i, who was hospitalized at George Washington University Hospital earlier in the day. Egyptian officials said she apparently became ill from fatigue on the trip here from Cairo and she was expected to be released in a day or two.

In their meeting, Reagan gave Sadat his personal pledge to work for peace in the quest for a Middle East peace and would not let the terror from reaching our destination," Sadat, in turn, told Reagan the recent violence in the region underscores the urgency for reaching a permanent settlement.

"We are holding our talks at a crucial moment," Sadat said, calling on the United States to work as a "full partner."

Meanwhile, in Cairo, Al-Azhar said Sadat's decision to cancel a visit to Austria next week was taken for security reasons. It said the visit, scheduled to start next Monday, had been ruled out after Vienna explained to Egyptian officials "the dimensions of a large conspiracy against (Austrian) Chancellor Bruno Kreisky."



SADAT IN U.S.: Egyptian President Anwar Sadat (left) faces reporters along with Secretary of State Alexander Haig at the State Department Wednesday.

## 'Given room for maneuver'

### U.N. Afghan envoy, Zia meet

ISLAMABAD, Aug. 6 (R) — United Nations envoy Javier Perez de Cuellar has said Pakistan had given him room to maneuver in his mission to start a dialogue between Afghanistan and its neighbors, Pakistan and Iran.

Cuellar, who met President Muhammad Zia-ul-Haq Wednesday told reporters the president gave him certain important elements for Afghanistan authorities to consider. Cuellar's comments provided the first prospect since the mission started that the three countries might negotiate. The United Nations is trying to initiate negotiations among the three for a political settlement in Afghanistan that would lead to the withdrawal of the estimated 85,000 Soviet troops there.

Cuellar is due to arrive in Kabul Thursday to continue a mission that started last April. "President Zia has given me room to maneuver and now everything depends on the reaction in Afghanistan and the Pakistani reaction to that reaction," Cuellar said.

The main stumbling block has been Kabul's demand for bilateral talks with Iran and Pakistan. Tehran and Islamabad want the talks to be trilateral under the supervision of the United Nations. However, Cuellar indicated that Pakistan might now be prepared to start talks without the total involvement of Iran because of internal developments in that country.

He said the U.N. was keeping the Iranian authorities informed of developments and he was ready to go there. Cuellar said the European Economic Community proposals for an international conference on Afghanistan were discussed during his meeting with President Zia. He described the EEC plan as a parallel effort to his mission.

# Begin will push Mideast to war, says Fateh leader

BEIRUT, Aug. (Agencies) — A Palestinian leader was quoted Thursday as saying the newly-formed government of Israeli Prime Minister Menachem Begin was likely to push the Middle East closer toward another war.

In a statement to the Beirut daily *As-Safir*, Salah Khalaf (known by his codename Abu Iyad) said the new Israeli administration would increase tension in the region. "This will push the situation in the area toward war," Abu Iyad, a senior member of the Fateh group, stated.

Begin won a parliamentary vote of confidence for his new government in the Knesset (parliament) Wednesday night. The administration is the most hawkish that Israel had. Abu Iyad said the new government would be used by the enemies of the Palestinians and the Arab nations as a whole to smash the Palestine Liberation Organization.

The PLO and Israel last month endorsed a ceasefire agreement after two weeks of devastating Israeli ground, air and naval attacks against Beirut and south Lebanon in which 400 persons died. The commanders had countered by pounding north Israeli settlements. Abu Iyad charged that the U.S. and Israel wanted to end the Lebanon and Middle East crisis by stamping out the PLO. Attacks on the Palestinian and Lebanese peoples would be resisted from hilltop to hilltop and street to street, he added.

Begin presented his cabinet to President Yitzhak Navon Thursday. The ministers after swearing in went to their offices while Begin left for Nahariyah to take rest.

Meanwhile, Israeli Labor and Social Welfare Minister Abaron Abukhatzeira may try to use parliamentary immunity to escape prosecution on six indictments related to alleged misuse of public funds between 1974 and 1977. It was reported in Tel Aviv Thursday.

The newly-named minister, who also controls the immigration portfolio, was to respond before Tel Aviv district court to the charges, which involved offenses allegedly committed while he was mayor of Ramla, 20 kms southeast of Tel Aviv.

### Palestine issue vital, U.S. told

BEIRUT, Aug. 6 (R) — Crown Prince Hassan of Jordan was quoted Thursday as saying the United States should recognize the importance of finding solution to the Palestinian question.

In an interview with the London-based Arabic-language weekly magazine *Al-Hawadess*, he said the American delay in delivering F-16 jets to Tel Aviv after Israeli attacks on Iraq and Lebanon "was a matter of form." What was required was not just American recognition of the Palestine Liberation Organization (PLO) "But also the fact that Palestinian question is at the fore of security in the Near and Middle East."

His remarks coincided with a visit to the United States by Egyptian President Anwar Sadat, who has also been urging Washington to bring the PLO into Middle East peace talks.

### PLO delegation to inquire into Daoud shooting

WARSAW, Aug. 6 (Agencies) — A Palestinian delegation arrived in the Polish capital Thursday to investigate the shooting Saturday of Fateh leader Abu Daoud, the Warsaw representative of the Palestinian Liberation Organization (PLO).

The PLO representative said he had no immediate information about the delegation but reports from Beirut Wednesday said it was led by Amin al-Hindi, a senior Fateh security chief. The Polish media Thursday reported the shooting of Abu Daoud by Israeli aggressors. The PLO representative said the condition of Daoud, who was shot five times by a lone gunman in a Warsaw hotel, was improving.

Daoud, 46, had survived because he tried to fight off the assailant and all but one of the bullets missed his head, he added.

### In complaint to U.N.

### U.S. aggressor, says Libya

UNITED NATIONS, Aug. 6 (Agencies) — Libya has complained to the United Nations Security Council that it was the object of U.S. aggression, including a reported plan to overthrow its leader, Col. Muammar Qaddafi.

In a letter published Wednesday, a Libyan foreign affairs official referred to what he termed a plan prepared by the central intelligence Agency (CIA) to physically liquidate the Libyan leader and to carry out acts of subversion, destruction of civilian targets and killing of innocent people. *Newsweek* magazine reported last month that CIA chief William Casey had approved a planned operation to overthrow Col. Qaddafi through a paramilitary campaign.

The Libyan letter condemned the reported scheme as an example of international terrorism, but it did not request any action by the council.

The letter also alleged that the U.S. was increasing military preparations around Libya, and cited statements that Washington was ready to supply military aid to African countries said to be threatened by Libya. It said: "Taking the aforementioned facts into consideration, and pointing to the assassinations, the acts of destruction, the direct military intervention and overthrow of governments of the third world countries perpetrated by successive American administrations, Libya wishes to draw attention to the dangerous and deteriorating situation caused by the policy and the actions of the American administration in the region which threatened both international peace and security."

### Ban on flights resented

### Airline staff to block Israel runways

TEL AVIV, Aug. 6 (AFP) — Employees of the Israeli airline El-Al have threatened to close down the airport, southeast of Tel Aviv, to all foreign traffic Saturdays if the government orders El-Al to stop flights in observance of the Jewish Sabbath.

"We will put El-Al aircraft on the runways and we will even sleep on them to prevent the take-off or landing of foreign planes," El-Al maintenance chief Eitan Rosenman said Wednesday following a stormy meeting of El-Al Union delegates. The meeting was called in response to the coalition program of Prime Minister Menachem Begin's new cabinet.

Following the elections, Begin had to concede to demands by Israel's Religious Orthodox parties to woo them into his coalition. A resulting clause in the coalition program forbids all El-Al planes from taking off, flying or landing on Saturday, the Sabbath, or any Jewish holiday.

"The El-Al Company is still having difficulties," Rosenman said, "and shutting El-Al down Saturdays will ruin the firm and we will, subsequently, lose our jobs." "El-Al is sacrificed because of the machinations of the (Begin) coalition," he said.

Meanwhile, representatives from Israel's 13 most powerful unions are to meet Sunday to discuss the new Saturday work restrictions imposed on many companies. A spokesman for the unions said the new measures would force many of the firms to close down and help push up the unemployment rate.

Political observers said the union meetings could signal the beginnings of a workers' revolt to topple the fragile Begin coalition, which has only a one-seat majority in the Knesset. The Ultra-Orthodox Agudat Israel Party has threatened to quit the coalition if Sabbath observance is not enforced.

### Negotiator offers proposals

### Turkish-Cypriots to cede territory

NICOSIA, Aug. 6 (R) — Turkish-Cypriots have placed a comprehensive package of proposals on the negotiating table with the aim of settling the Cyprus problem.

Turkish-Cypriot negotiator Umit Suleyman Onan said he had a package of proposals when he arrived at the Ledra Palace Hotel in the U.N.-controlled buffer zone, but he refused to divulge details. In Ankara, the right-wing newspaper *Fevcesan* said the proposals involved territorial concessions along the so-called Green Line which has divided the island since the Turkish invasion in 1974.

Although he would not go into details of the proposals, Onan did specifically mention territorial, constitutional and security aspects. He also said he had a map with which to illustrate territorial proposals. The leader of the Turkish-Cypriot community, Rauf Denktaş, said during a recent visit to Ankara he would present what he described as comprehensive and meaningful new proposals this month.

Cyprus has been divided between the Greek-controlled south and the Turkish-Cypriot north since the 1974 Turkish invasion. The Turkish-Cypriots, comprising about 18 percent of the population, control 38 percent of the territory.

Greek Foreign Minister Constantine Mitsotakis, now visiting the Greek sector of the island, has said the time was ripe for a Cyprus settlement, while Turkish officials have also expressed guarded optimism. Turkish Foreign Minister Iker Turkmen, who is expected to visit the island later this month, said in an interview published in Ankara last week. "We are approaching a turning point in the Cyprus issue."

### UAE president sends message to Reagan

AL-AJIN, Aug. 6 (SPA) — Sheikh Zayed ibn Sultan Al-Nahyan, president of the United Arab Emirates, sent a message Wednesday to U.S. President Ronald Reagan. He handed the message to a visiting congressional delegation led by Senator Robert Durnan of California, a member of the Foreign Relations Committee.

The senator said he discussed with Sheikh Zayed relations between the United Arab Emirates and the United States and the message dealt with issues of common interest.

Meanwhile, in London, Douglas Hurd, state minister for foreign affairs, conferred Wednesday with Sheikh Khalifa ibn Zayed, Abu Dhabi's heir apparent and commander-in-chief of the UAE's armed forces.

### Mrs. Thatcher to visit Gulf

BAHRAIN, Aug. 6 (R) — British Prime Minister Margaret Thatcher will visit the Gulf for three days next month on her way to a Commonwealth heads of government meeting in Australia. British officials have said.

She will visit Kuwait and Bahrain, which were not included in her April Gulf tour because of pressure of time, from Sept. 25 to 27.

The officials said Wednesday she would meet the rulers of the two countries and government ministers. In April, Mrs. Thatcher visited Saudi Arabia, Qatar, the United Arab Emirates and Oman.

### Polisario leaders meet Cheysson aide

PARIS, Aug. 6 (AFP) — A delegation from the Polisario Front, whose volunteers are fighting Moroccan troops in the disputed Western Sahara, has visited the French Foreign Ministry, it was announced Thursday.

A ministry spokesman confirmed a statement about the visit issued here by the front's foreign relations committee. The statement said the delegation was led by Mansour Omar, a member of the Polisario's political bureau.

The foreign ministry said the Polisario representatives were received by an aide to Foreign Minister Claude Cheysson "at their own request." "We heard them out," the ministry spokesman said.

### Commandos blast Israeli army store

DAMASCUS, Aug. 6 (R) — Palestinian commanders said Wednesday night that bombs they had planted at Israeli military cooperatives had badly damaged the stores and injured several persons.

## Read this week in SAUDI BUSINESS

Before the boom business transactions in the Kingdom took over in an informal atmosphere in some plush suite of a five-star hotel. But now things are changing. *Scott Pendleton* talks to people and records his impressions on page 20 on how the concept of modern office space has finally taken root.

Not only the Kingdom's oil but its mines too have a significant record. In an interview with *Younis Muhammad Isaac*, Deputy Minister for Mines Ghazi Sultan talks about the generous financial incentives offered to foreign companies for exploration and outlines some of the mining work done by the companies.

Bahrain has taken over the advanced telecommunications company Cable and Wireless. The British company will keep 40 per cent of the shares and the Bahrain government and its nominees will claim the rest. *Louise Denver* reports on the takeover.

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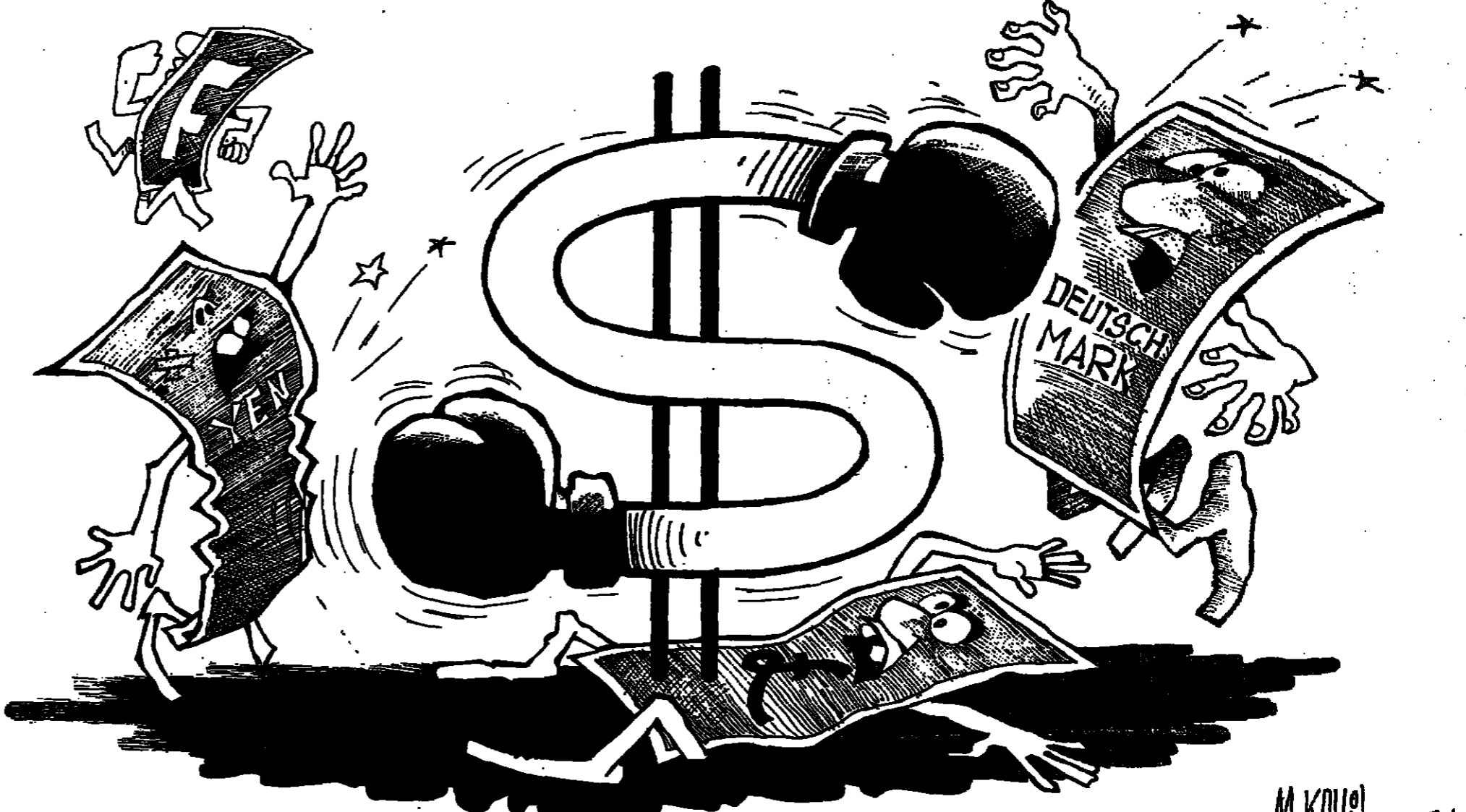
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## The rise of the dollar

**NEW YORK** — The recent rise in the dollar can be attributed to several factors, ranging from continued high U.S. interest rates to recent congressional approval of President Ronald Reagan's economic package. Most observers believe, especially in the aftermath of the Ottawa economic summit, that interest rates will remain high for some time yet. The president's successful bid to get his economic package through Congress last week has helped buttress the dollar on the international money markets. And while the same psychological effect has played its part here, an additional factor, paradoxically, stems from fears that the president's proposed tax cuts will rekindle inflation — and so maintain

high interest rates, which were introduced to fight inflation. The U.S. currency has gained 14.4 percent over its February 1973 average rate (against a "basket" of currencies), when the dollar was last devalued, according to the Morgan Guaranty Trust. "Politically and economically, the United States looks like the best place for foreign investments," according to one broker here. Tension in Poland has contributed to strengthening the dollar, while gold — at about \$395 a ounce now — has remained at its lowest level since November 1979.

Another short-and-medium-term factor in bolstering the dollar is the recent announcement that the U.S. Treasury is to issue some \$22 billion worth of securities over the next few weeks. The borrowing, designed to plug the budget deficit, is expected to reach \$30 to \$33 billion in the fourth quarter, the treasury said. But it could also bring further tension to bear on the money market and jeopardize any reduction in interest rates, observers believe. The rise in the dollar is already starting to affect U.S. exports, even though currency fluctuations usually take six months or so to filter down to the

export market. According to Commerce Secretary Malcolm Baldrige, the trade deficit will be "several billion dollars" higher this year than last year's \$36 billion deficit, and he urged U.S. businessmen to increase efforts in their export drive. U.S. loss of competitiveness could well be one of the main reasons behind a recent agreement reached by the United States, France, Britain and West Germany in the so-called "export credit war" in the aeronautical field. Economists from Chase Econometrics, a forecasting department belonging to the third U.S. leading bank, the Chase Manhattan, anticipate stronger economic activity in Europe as a result of the rise in the dollar rate. — (AFP)

## Ouster of a U.S. ambassador

**WASHINGTON** — The extraordinary ouster of the U.S. ambassador to Saudi Arabia, Robert G. Neumann, at the insistence of Secretary of State Alexander M. Haig Jr. was a much more richly textured story than first reported. The immediate cause was indeed a personal clash. But other, more serious issues were involved as well: How gently the United States should treat Israel, the thorny relationship between Haig and President Reagan's National Security adviser Richard V. Allen, and the basic question of how much dissent will be tolerated in the diplomatic corps. Neumann, like Haig, is a strong and unusual personality. Born of nonpracticing Jewish parents in Vienna 65 years ago, Neumann by his own account converted to Catholicism as a young man, survived Nazi concentration camps and came to the United States as a penniless immigrant.

Reagan and many of his foreign-policy associates have been considered unusually sympathetic to Israel. Neumann, with a diplomatic experience in two Islamic countries, was considered sympathetic to Arab countries. In several semi-public speeches just before moving to Saudi Arabia, he went out of his way to tell Saudi Arabians as well as Americans that a great power must have not one but many close international relationships, thus making room for both Israel and the Arabs. When the Israeli air force bombed Iraq's nuclear research center on June 7, a few days after Neumann's arrival at his post, he was among the first ambassadors to recommend a strong U.S. response, arguing that U.S. credibility in the Arab world was on the line. His cable reportedly made it plain he considered the initial State Department response too weak. In Washington, Haig is said to have been irritated, some say angered, by Neumann's words. Neumann returned to Washington July 16 for consultations in connection with the controversial administration plan to sell sophisticated radar planes, the AWACS, to Saudi Arabia. The following day, Israel's planes bombed central Beirut, escalating its conflict with the Palestine Liberation Organization and generating high emotion in the Arab world. Neumann made clear to White House officials and members of Congress he thought a strong response was required. At 10 a.m. on Monday, July 20, Neumann called on Sen. Charles H. Percy (R-Ill.), chairman of the Senate Foreign Relations Committee and, by off-repeated statements of both men, an old friend. During the course of a wide-ranging conversation in Percy's office, Neumann stated his concern about the U.S. response to the Israeli bombing. What the

United States had said and done about it until then, in Neumann's view, was inadequate. The ambassador, who is an outspoken man, is said by one source present and several not present to have commented in blunt terms about Haig, who has been extremely cautious about any criticism of Israel in public and reportedly in private councils as well. According to one account, Neumann said that Haig's gingerly handling of the Israeli bombing on ABC television's *Issues and Answers* the previous day had "nearly made me throw up." This remark was not in the official notes that were taken by some of the three congressional and State Department aides present, and Percy said he cannot recall it. But Haig is known to have repeated it at the White House as a large part of the explanation for his demand for Neumann's resignation, and Neumann apparently did not contest it. At 5 p.m. on Thursday, July 24, Haig summoned Neumann to his office on the seventh floor of the State Department. The ambassador, who reportedly expected a conference on AWACS, instead was subjected to a tongue lashing from Haig about the remarks to Percy and perhaps others on Capitol Hill. Haig is reported to have been extremely angry. As part of his dressing down, Haig is said to have accused Neumann of carrying on a "back channel" dialogue via secret cables with Richard V. Allen, the White House National Security adviser, who has been a friend and sponsor of Neumann and is considered Haig's bureaucratic rival. The State Department's Communications Center reportedly learned of the out-of-channel messages several weeks before, though the messages had been routed from Jeddah direct to the White House. A State Department source said Neumann was "quick to admit" the exchanges with Allen, but said

they had to do with the proposed AWACS sale, which Allen has been assigned to shepherd through Congress, and did not involve any plotting against Haig. Later, Neumann brought copies of his "back channel" messages to the State Department seventh floor in an attempt to prove his innocence. Haig, though angry, gave no indication that he was demanding the envoy's resignation. In fact, of course, an ambassador is the representative of the president and is named by him, and thus the secretary of state lacks the authority to dismiss him. On Friday, according to White House officials, Haig took his case to Reagan. At some point Haig also discussed Neumann with White House counselor Edwin Meese III, Allen and other senior officials. In addition to Neumann's Capitol Hill remarks, Haig complained of the cable traffic with Allen and claimed that Neumann was in disfavor with the Saudi Arabians. Haig's backing for that charge could not be learned. But the core of Haig's demand, according to several high officials, was a personal plea that Neumann could no longer be tolerated as a subordinate. After reflection overnight, Reagan approved Haig's request for authority to act. A week ago Saturday, Neumann was bluntly informed that he must resign or be fired. A sparse exchange of letters was drafted, in which Neumann said "with deep regret" that "personal considerations make it impossible for me to continue in service." Reagan responded "with regret" that "I understand and respect...the personal concerns that impel you to step down from this post." Neumann refused a demand that the resignation be blamed on the health of his wife, and struck out a sentence to that effect from the proposed letter. Nonetheless, a White House spokesman later repeated this cover story to reporters. The news first broke early Tuesday in the Israeli press, which has unusually good access to information and gossip from official circles here regarding the Middle East. By mid-morning Tuesday Washington was buzzing with the story. Haig, on Capitol Hill for testimony, confirmed that Neumann "has resigned for personal reasons" which "are for him to describe." Neumann, in a Washington hotel, refused all requests for comment. The White House and State Department announced that Neumann will become a State Department "senior consultant" but it is unclear that this will come about. Neumann is expected to move back to Washington, and is likely to resume an active role in conservative academic and political circles. If he wishes to do so, he could cause a great deal of trouble for Haig. It is unclear what effect the Neumann shuffle may have on the coming battle over the AWACS. Some at the State Department believe the vanquishing of Neumann may inhibit views within policy councils that are offensive or even unwelcome to Israel. Some of Haig's aides are counted as close to the Israelis. At this moment the Reagan administration is heading into its most important round of policymaking on the Middle East, which will make all these considerations particularly pertinent. Some knowledgeable Washington hands interpret the Neumann affair primarily as an outcropping of the Haig-Alen rivalry. "This is one more round in the endless, mutually suicidal battle between them," said a Republican observer close to the administration. Whatever the interpretation, it is certain that the ouster of the U.S. ambassador to Saudi Arabia after two months in office was a bizarre incident in the annals of diplomacy. As the news spread, Saudi leaders telephoned their contacts in Washington with puzzled questions about what Americans are up to now. From the far-off Arabian desert, the machinations of Washington seemed too devious, perhaps cunning, to be fathomable.

## NOTHING NEW

President Sadat's visit to Britain this week brought nothing new. His hosts' reactions were equally predictable: No, they do not oppose the Camp David process. Yes, they will move only in conjunction with the United States. And: yes, there is nothing novel in the "European initiative," which aims at no more than rendering the Camp David framework more pliable. If this unexceptionability on the part of the Europeans is understandable, one cannot but register surprise at the durability of certain of Sadat's assumptions, which makes him continue as if no new factors have entered the equation. The first of these assumptions is that he evidently still thinks Begin as a "man of peace," intent on achieving a lasting settlement in the Middle East. This is despite Begin's explicit and often repeated threats that he will liquidate all Palestinian presence anywhere — threats which he tried to carry, with murderous effects, in his "two weeks war" against the Lebanese and the Palestinians recently. The second, just as questionable, is that he will be able to sway the Reagan administration on the matter of recognizing the Palestine Liberation Organization, preparatory to inviting it to take part in the so-called "peace process." While it is true that the present "ceasefire" in south Lebanon, and the indirect contacts with the PLO which led to it, do constitute a precedence which might develop, the American conditions on an outright recognition are still the same that the PLO should unconditionally recognize Israel, and it should stop all acts of war against it. In any case, it must not be forgotten that the Palestinian "participation" Sadat is calling for is circumscribed by the terms of the Camp David agreements — and the Arab world had already had his say on the accords.

Commenting on Washington's attitude toward the Lebanese crisis, *Al-Nadwa* observed that the U.S. claims it is concerned for peace in Lebanon and is greatly pained to see the sufferings of that country, but its "honey-coated" sentiments would have been acceptable if the events had not proved that the U.S. was responsible for Lebanon's woes. The paper said that the Arabs have come to realize that the U.S. would never hesitate to give more weapons and aids to Israel, in order to impose the policy of aggression on the Arab states. Therefore, any American talk on peace will only be considered as a "flowery speech" with no substance, added the paper. Discussing the new Israeli cabinet, *Al-Bilad* noted that its attitude toward the Arabs will not be different from the previous Israeli governments which had constantly worked to expand the area of aggression against the Arab states. It added that the announcement on the new cabinet makes it clear that there is yet another step to continue aggression and to foil all peace attempts in the region. *Okaz* condemned Israel's violation of the ceasefire in Lebanon and said it was impossible to place confidence in any Israeli government headed by a terrorist like Menahem Begin. The ceasefire violation indicates that Begin wants to impose a *fait accompli* before going to Washington for talks with the U.S. president. Since Begin does not care to show any regard to international pledges and norms, the paper said, America must make a move to curb Begin's attitude, in the light of the fact that he has stuffed the new cabinet mostly with extremist elements hostile to the Arab rights.

## Saudi Arabian Press Review

The weekend newspapers mostly led with United States President Reagan's determination to supply five AWACS aircraft to Saudi Arabia. *Al Medina* and *Okaz* gave lead coverage to the violation of ceasefire by Israel in Lebanon. Newspapers frontpaged a report on deteriorating relations between Iran and France after the French ambassador's expulsion from Tehran and President Mitterrand's decision to recall the French nationals from Iran. They also gave front-page coverage to Mitterrand's impending visit to Saudi Arabia in September and Foreign Minister Prince Saud Al-Faisal's arrival in Caracas, on the first leg of his tour of some Latin American countries. The Kuwaiti Defense Minister's rejection of any alien attempt to intervene in the affairs of the Gulf region also figured prominently in some papers. *Okaz* gave page one highlight to President Reagan's praise of Saudi Arabia's peace-making role in the Lebanese crisis, while *Al Medina* reported that Egyptian President Anwar Sadat's visit to Britain, on his way to the U.S., received an "extremely modest" coverage by the media services. In an editorial, *Al Medina* cited instances of the big powers' machinations against the Islamic countries. It referred to the Soviet Union's occupation of Afghanistan and America's passive attitude toward Pakistan, which had led to the division of Pakistan. It further said that the Soviets took decisive actions in Rhodesia, Angola and Mozambique, but did nothing against the enemies of Somalia and Eritrea only because they wanted to dismember the Islamic world.



Alas! This is the last time I spend Eid holiday abroad. Did this (airport) condemn us to hard labor!

حکذا من التجمل





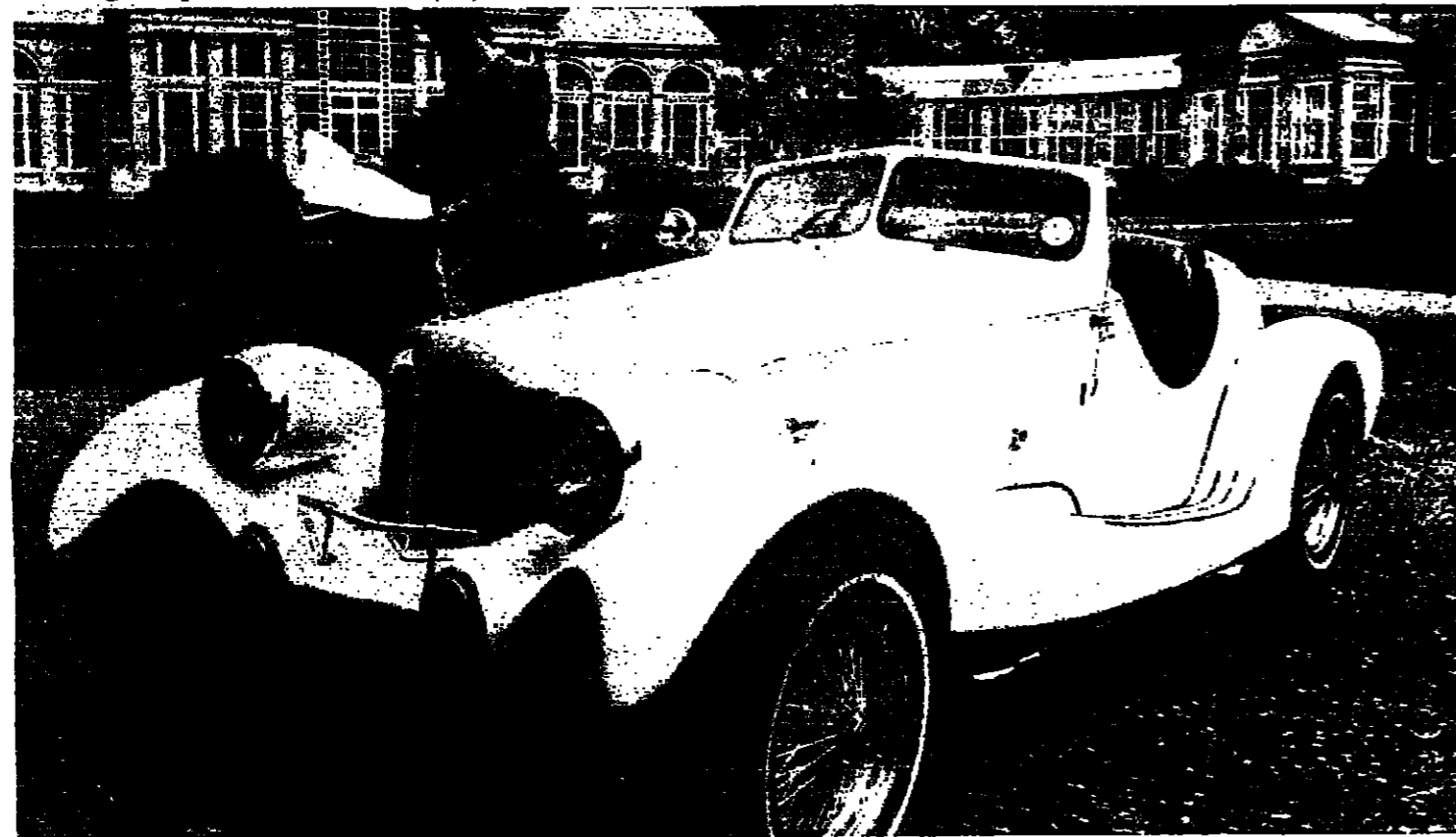




ALL SYSTEMS GO: A little sport launches her ball down the bowling alley in St. Petersburg, Florida. This young lady is the youngest bowling champion in her home town. (CP)



LOOKALIKE QUARTET: Movie star "lookalikes" gather at the Stars Hall of Fame wax museum in Orlando, Florida celebrate the birthday of famed pianist Liberace, who is 62 years old. Posing with the wax likeness of the pianist are, left to right, Fred Stewart (Oliver Hardy), John Vurat (Clark Gable), and Paul Lewis (Charlie Chaplin). (CP)



HYBRID CLASSIC: Modern mechanics are combined with the elegance of the 1930s in this "Madison Roadster" kit car introduced in Britain. The body shell accepts standard Volkswagen parts and can be built in 100 hours. (LPS)



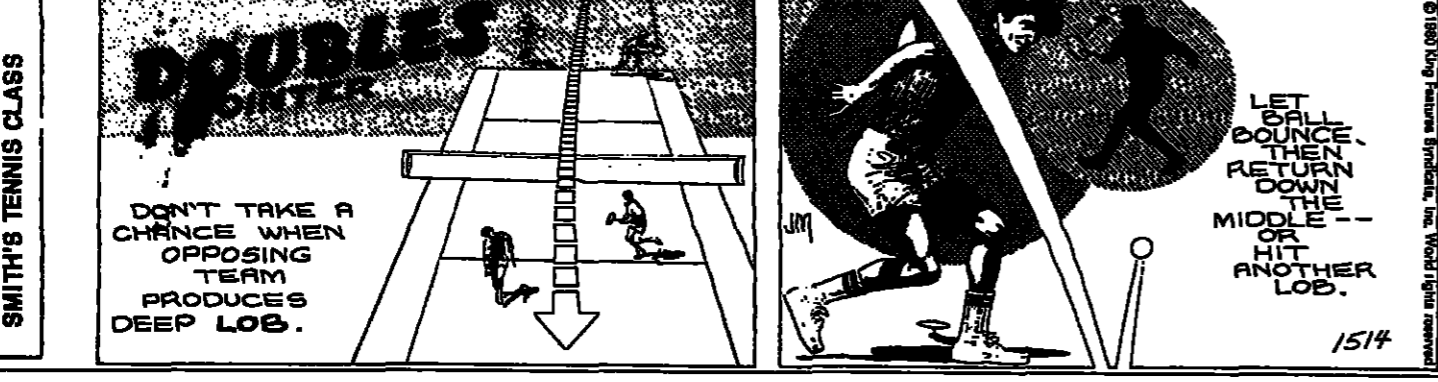
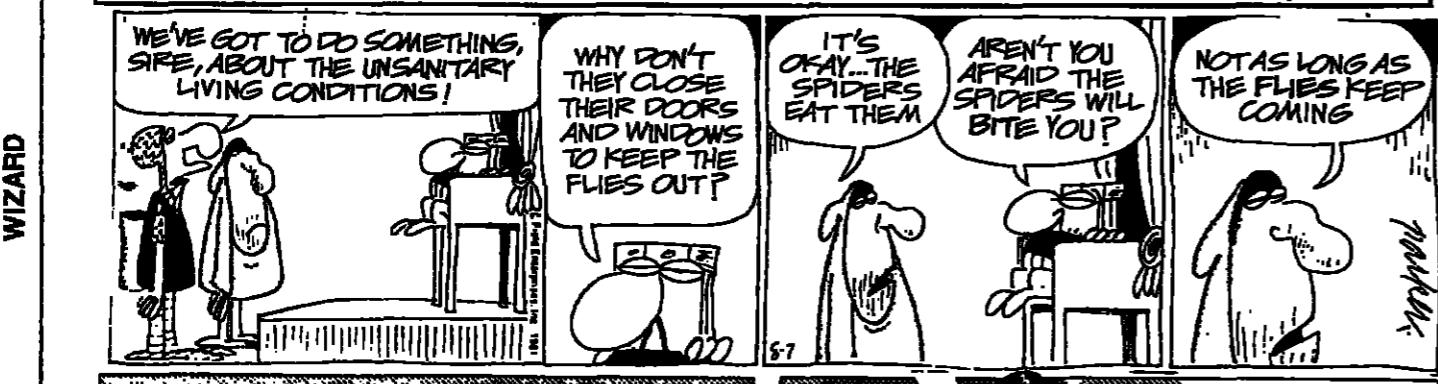
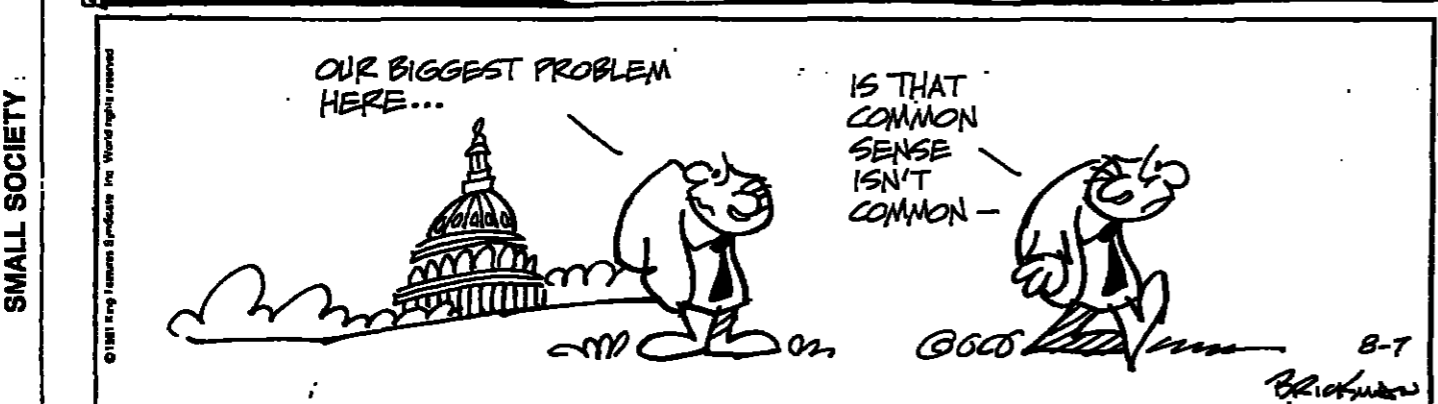
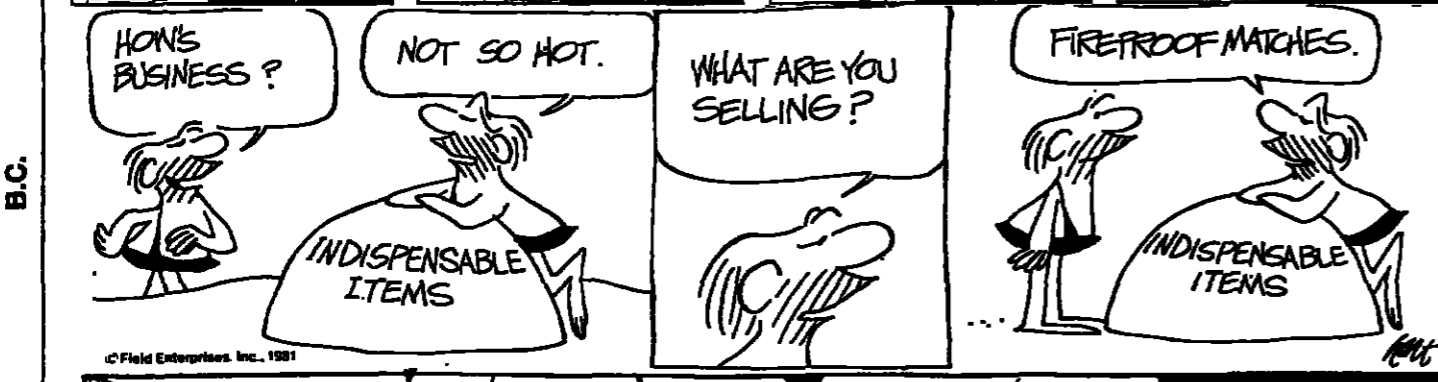
HAZARD SIGN: This sign near St. Gallen, Switzerland warns that a hospital is 25 kilometers away. This type of warning sign appears all along Swiss highways. (CP)



ATTACK VICTIM: Alsatian guard dog attacks a professional victim at a dog-training school near Zurich, Switzerland. The protective clothing keeps the stout-hearted Swiss from being mauled. (CP)



Snozzle: This fresh water porpoise with a nose like a beak is being fed by divers at Marineland at Palos Verdes, California. "Snozzle" has been sick so keepers are taking extra care to nurse him back to health. (BP)



DENNIS the MENACE



'BEIN' A BIG SHOT AROUND HERE IS EASY, JOEY... LONG AS THE STALE BREAD HOLDS OUT.'

Contract Bridge B. Jay Becker

Test Your Dummy Play

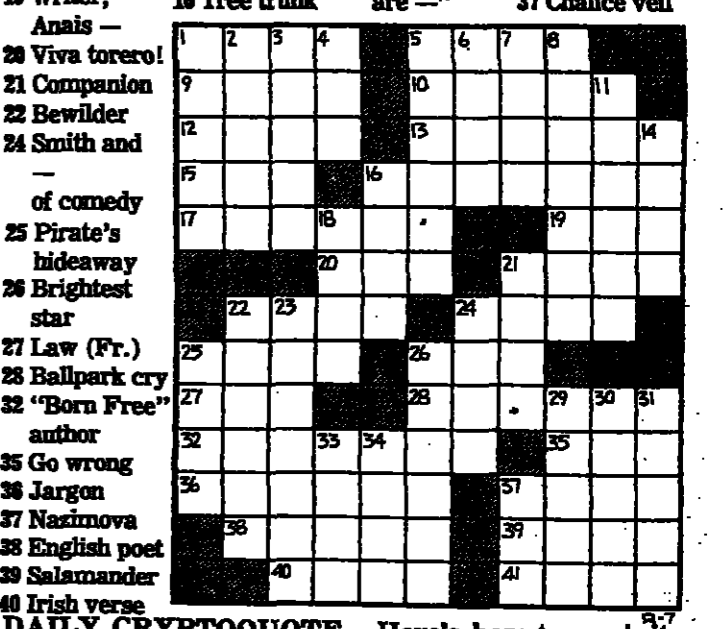
1. You are declarer with the West hand at Six Spades... 2. You are declarer with the West hand at Six Clubs... 3. This is one of those cases where you're sure to make the contract by playing your cards correctly.

Your Individual Horoscope

FOR FRIDAY, AUGUST 7, 1981... What kind of day will tomorrow be? To find out what the stars say, read the forecast given for your birth sign.

Crossword

ACROSS 1 Beetle 2 Plowed ground 3 Worked underground 4 Sheriff Garrett 5 Cavalry call 6 Apollo's mother 7 'My Name Is -'



DAILY CRYPTOQUOTE - Here's how to work it: AXYDLBAAXE B LONGFELLOW... One letter simply stands for another.

Believe It or Not!



Arab News Calendar

Table with multiple columns: Morning, Afternoon, Evening, and various news programs. Includes dates and times for different channels and regions.

